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33-23092 ALCOA INTERNATIONAL HOLDINGS CO

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)
¢X! QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

OR

¢ ! TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1992 Commission File Number 33-23092

ALCOA INTERNATIONAL HOLDINGS COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE 25-1563111

(State of incorporation) (I.R.S. Employer Identification No.)

5 Burlington Square, Fourth Floor, Burlington, Vermont 05402-1491

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number 802-658-2726

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes . X . . . No . . . .

As of May 14, 1992, 7,634,085 shares of common stock, par value $1.00, of the Registrant were outstanding.

PART I - FINANCIAL INFORMATION

AIHC and subsidiaries

Consolidated Balance Sheet (in millions, except share amounts)	(unaudited) March 31 1992	December 31 1991
ASSETS		
Current assets:		
Cash	$ 12.1	$ 13.4
Short-term investments, at cost which approximates market	337.7	358.6
Receivables from customers, less allowances: 1992 - $7.4; 1991 - $7.5 (a)	323.2	393.2
Inventories (b)	413.1	405.2
Restricted deposits	78.4	77.0
Prepaid expenses and other current assets	12.8	22.1
Total current assets	1,177.3	1,269.5
Properties, plants and equipment, at cost	2,471.4	2,400.7
Less, accumulated depreciation, depletion and amortization	899.2	872.0
Net properties, plants and equipment	1,572.2	1,528.7
Notes receivable - Aluminum Company of America (c)	745.5	716.2
Investments	153.2	137.4
Other assets and deferred charges	125.8	118.8
Total assets	$3,774.0	$3,770.6
LIABILITIES		
Current liabilities:		
Short-term borrowings (d)	$ 114.9	$ 113.6
Accounts payable, trade (a)	181.5	168.3
Accrued compensation and retirement costs	33.7	40.1
Taxes, including taxes on income	125.7	199.4
Future taxes on income	36.7	36.2
Other current liabilities	147.3	198.1
Long-term debt due within one year	80.0	80.4
Total current liabilities	719.8	836.1
Long-term debt, less amount due within one year	235.1	172.8
Noncurrent liabilities and deferred credits	94.9	86.7
Future taxes on income	336.2	350.3
Total liabilities	1,386.0	1,445.9
MINORITY INTERESTS	643.7	628.1
SHAREHOLDERS' EQUITY		
Preferred stock, $100 par value, 5,000,000 shares authorized; 2,500,000 shares issued and outstanding	250.0	250.0
Common stock, $1 par value, 10,000,000 shares authorized; 7,634,085 shares issued and outstanding	7.6	7.6
Additional capital	78.3	78.3
Translation adjustment	(116.6)	(123.6)
Retained earnings	1,525.0	1,484.3
Total shareholders' equity	1,744.3	1,696.6
Total liabilities and equity	$3,774.0	$3,770.6

(see accompanying notes)

AIHC and subsidiaries

Statements of Consolidated Income and Retained Earnings (unaudited)
(in millions)

	Three months ended March 31	
Statement of Consolidated Income	1992	1991
REVENUES		
Sales and operating revenues	$ 537.6	$ 667.4
Revenues from related parties	31.6	62.2
Other income, principally interest (a)	23.4	36.1
	592.6	765.7
COSTS AND EXPENSES		
Cost of goods sold and operating expenses (a)	433.0	539.0
Selling, general administrative and other expenses (a)	13.8	16.8
Provision for depreciation, depletion and amortization	26.5	26.7
Interest expense	6.2	8.8
	479.5	591.3
EARNINGS		
Income before taxes on income	113.1	174.4
Provision for taxes on income (e)	35.9	67.6
Income before other items	77.2	106.8
Equity earnings	(3.5)	6.3
Minority interests	(28.5)	(44.2)
NET INCOME	$ 45.2	$ 68.9
Statement of Consolidated Retained Earnings		
Retained earnings at beginning of year	$1,484.3	$1,270.4
Net income for period	45.2	68.9
	1,529.5	1,339.3
Less: Dividends to Alcoa	-	-
Preferred dividends	4.5	5.5
Retained earnings at end of period	$1,525.0	$1,333.8

(see accompanying notes)

AIHC and subsidiaries

Statement of Consolidated Cash Flows (unaudited)
(in millions)

	Three months ended March 31	
	1992	1991
CASH FROM OPERATIONS		
Income before minority interests	$ 73.7	$113.1
Adjustments for noncash transactions:		
Depreciation, depletion and amortization	26.5	26.8
Increase (reduction) in future taxes on income	(13.7)	4.4
Equity earnings before additional taxes, net of dividends	3.3	(6.3)
Other	12.8	(2.7)
Decrease in receivables	93.1	79.9
(Increase) in inventories	(12.8)	(4.0)
Decrease in prepaid expenses and other current assets	11.3	5.0
(Decrease) in accounts payable and accrued expenses	(37.3)	(28.8)
(Decrease) in taxes, including taxes on income	(76.5)	(209.4)
Net change in noncurrent assets and liabilities	(33.9)	(3.5)
CASH FROM OPERATIONS	48.5	(25.5)
FINANCING ACTIVITIES		
Additions to minority interests	-	(80.0)
Dividends paid on preferred stock	(4.7)	(5.5)
Dividends paid to Alcoa	-	-
Dividends paid to minority interests	(22.1)	(38.0)
Additions to long-term debt	95.4	140.0
Payments on long-term debt	(32.5)	(30.0)
CASH PROVIDED FROM (USED FOR) FINANCING ACTIVITIES	36.1	(13.5)
INVESTING ACTIVITIES		
Capital expenditures	(57.9)	(41.3)
Loans by finance subsidiary to related parties	(31.6)	(.3)
Other - payments	(15.4)	(1.5)
Payments received on finance subsidiary loans	2.4	41.8
CASH (USED FOR) INVESTING ACTIVITIES	(102.5))	(1.3)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(4.3)	5.0
CHANGES IN CASH		
Net change in cash and short term investments	(22.2)	(35.3)
Cash and short term investments at beginning of year	372.0	435.0
CASH AND SHORT TERM INVESTMENTS AT END OF PERIOD	$349.8	$399.7

(see accompanying notes)

Notes to Consolidated Financial Statements
(in millions, except share amounts)

Notes:

(a) Alcoa International Holdings Company (AIHC) is controlled by Aluminum Company of America and its subsidiaries (Alcoa). AIHC's receivables from customers include amounts from Alcoa totaling $32.7 at March 31, 1992 and $36.2 at December 31, 1991. Trade accounts payable include amounts owed to Alcoa of $49.7 and $32.3 at the same respective dates.

Interest income from loans to Alcoa (see note (c)) follows.

	1992	1991
First quarter	$ 9.4	$11.5

The costs of products purchased from Alcoa by AIHC's selling companies follows. Terms for these transactions were established by negotiations between the parties.

	1992	1991
First quarter	$134.7	$147.4

(b) Inventories consisted of:

	March 31 1992	December 31 1991
Finished goods	$ 99.1	$106.4
Work in process	29.2	26.7
Bauxite and alumina	117.6	122.3
Purchased raw materials	106.0	87.5
Operating supplies	61.2	62.3
	$413.1	$405.2

(c) Alcoa International Finance Company, AIHC's finance subsidiary, has loaned $745.5 to Aluminum Company of America under notes detailed below. Since Alcoa controls AIHC and currently intends to continue renewing these notes, they have been classified as noncurrent.

Face amount	Maturity date	Interest rate
$100.0	March 31, 1993	5.13%
50.0	June 30, 1992	5.04%
50.0	September 30, 1992	5.07%
545.5	On Demand	5.02%*
$745.5		

*Effective annual rate as of March 31, 1992. Rate varies monthly based on market rates.

Notes to Consolidated Financial Statements
(in millions, except share amounts)

(d) Alcoa Nederland Finance B.V. (ANF), an Alcoa subsidiary, has loan commitments to a subsidiary of AIHC for 100 million Dutch guilders and 10 million Pounds Sterling. At March 31, 1992 ANF had loaned 70 million Dutch guilders at 9.9% and 5 million Pounds Sterling at 11.1%, or the equivalent of $46.5.

(e) The income tax provision for the period is based on the effective tax rate expected to be applicable for the full year. The difference between the 1992 estimated effective tax rate of 31.7% and the U.S. statutory rate of 34% is primarily due to taxes on foreign income.

In the opinion of the Company, the financial statements included in this Form 10-Q report include all adjustments necessary to fairly state the results for the periods presented. This Form 10-Q report should be read in conjunction with the company's annual report on Form 10-K for the year ended December 31, 1991.

The financial data required in this Form 10-Q by Rule 10-01 of Regulation S-X have been reviewed by Coopers & Lybrand, the company's independent certified public accountants, as described in their report on page 7.

Independent Auditor's Review Report

To the Shareholders and Board of Directors
Alcoa International Holdings Company (AIHC)

We have reviewed, in accordance with standards established by the American Institute of Certified Public Accountants, the unaudited consolidated balance sheet of AIHC and subsidiaries as of March 31, 1992 and the unaudited statements of consolidated income and retained earnings and consolidated cash flows for the three-month periods ended March 31, 1992 and 1991, which are included in AIHC's Form 10-Q for the period ended March 31, 1992. These financial statements are the responsibility of AIHC's management.

A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical review procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of AIHC and subsidiaries as of December 31, 1991, and the related statements of consolidated income and retained earnings, and cash flows for the year then ended (not presented herein). In our report dated January 15, 1992, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1991 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

&&PIN COOPERS & LYBRAND
COOPERS & LYBRAND

Pittsburgh, Pennsylvania
April 13, 1992

Management's Discussion and Analysis of the

Results of Operations and Financial Condition
(in millions, except as noted)

Results of Operations

	First Quarter ended March 31 1992	1991
Sales and operating revenues by segment:		
Alumina	$229.5	$274.3
Aluminum	195.5	305.3
Sales and distribution	144.2	150.0
Total	$569.2	$729.6
Net Income	$ 45.2	$ 68.9

AIHC's 1992 first quarter earnings were $23.7 lower than those for the 1991 first qu
The earnings decline was primarily due to lower prices for alumina, primary aluminum
most fabricated products. Revenues from Alcoa of Australia's (AofA) gold mining
operations were also down due to lower prices.

Alumina segment
Revenues from the Alumina segment decreased $44.8 from the 1991 quarter. Realized a
prices were down 16% and shipments were down 3%. Revenues from alumina-based chemic
fell 21% from the 1991 first quarter due to lower prices and shipments. Gold revenu
declined 13%, and although shipments rose 20%, the increase was not enough to offset
decline in prices.

Aluminum segment
Revenues from the Aluminum segment decreased 36% from the 1991 first quarter due to
prices and shipments.

Primary aluminum revenues were down 52% while shipments decreased 38%. AofA's reali
price for ingot declined 22% from the 1991 first quarter. Compared to the 1991 four
quarter, AofA's average realized price was down 14%. The declines reflect the price
erosion experienced during 1991 caused by the oversupply of aluminum on world market
The uncertainty of aluminum exports by the former Soviet Union continues to exacerba
aluminum supply/demand picture.

Revenues from the sale of rigid container sheet (RCS) by AofA were down 13% from the
first quarter; shipments were down 6% and prices were down 7%.

Revenues from the varied aluminum consumer and specialty products from Alcoa Nederla
Holding Company (ANH) decreased 11%, mainly because of lower prices. Shipments of t
products were down 3%. There are signs of improvement in both the agricultural and
construction markets that ANH serves.

Sales and Distribution Segment
Revenues from the Sales and Distribution segment, which sells alumina-based chemical
aluminum products, decreased 4% from the year-ago quarter. The decrease was due mo
to a reduction of alumina-based chemical sales because of the temporary shutdown of

First Quarter ended March 31 1992	1991
$229.5	$274.3
195.5	305.3
144.2	150.0
$569.2	$729.6
$ 45.2	$ 68.9

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stralia's (AofA) gold mining

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venues from alumina-based chemicals
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of lower prices. Shipments of these
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ich sells alumina-based chemicals and
arter. The decrease was due mostly
se of the temporary shutdown of

capacity at an Alcoa affiliate in Mexico, and reduced sales of aluminum products in Canada. Partially offsetting these were higher sales of aluminum can sheet in the East markets.

Costs of Goods Sold
Cost of goods sold was 76.1% of sales in the 1992 quarter. The 2.2 percentage point increase from the comparable 1991 quarter reflects lower revenues resulting from pr declines.

Other Income and Expense Items
Other income decreased $12.7 from the 1991 first quarter. The decline was partiall to lower interest rates and lower levels of short-term investment by AofA. Lower i rates also resulted in less interest income from loans by Alcoa International Finan Company to Aluminum Company of America.

Selling, general administrative and other expenses decreased $3.0 from the comparab quarter, mostly because of higher benefit related costs in 1991, and the consolidat certain selling activities in 1992.

Interest expense was $2.6 lower than in the 1991 quarter because of lower average i rates and debt levels for AofA. Capitalized interest in the 1992 and 1991 first qu was $1.9 and $.7, respectively.

AIHC's estimated effective tax rate is a weighted average of the statutory rates in countries where AIHC operates, primarily Australia and the United States. The esti effective tax rate for 1992 is 31.7% compared to an actual rate of 35.6% for 1991. difference between these rates is mainly because of a change in Norwegian tax laws, statutory rate in Norway was reduced from 50.8% to 28%. The difference between the estimated effective rate and the U.S. statutory rate of 34% is primarily due to tax foreign income.

AIHC's only significant equity investment is a Norwegian smelting partnership, Elke Aluminium ANS (Elkem). Equity results were lower than those in the 1991 quarter be of lower translation and exchange gains due to Elkem's change to the Norwegian Kron the functional currency, as of January 1, 1992.

Liquidity and Capital Resources
Cash generated from operations during the 1992 first quarter was not sufficient to financing and investing activities. Cash from operations was adversely affected by tax payment by AofA for its 1991 tax liability. To cover cash requirements, cash a short-term investments were reduced by $22.2 from their year-end balances.

Dividends to preferred shareholders in the 1992 first quarter were $4.7 compared to in the 1991 quarter. Dividends paid by AofA in the 1992 quarter were $45.1 and inc $22.1 paid to its minority shareholders. In the comparable 1991 period, dividends $77.5, including $38 to minority shareholders.

Long-term debt increased $61.9 in the 1992 first quarter. At March 31, 1992, AIHC' as a percent of invested capital was 9%, compared to 6.9% at year-end 1991.

Investing activities consisted principally of capital expenditures of $57.9 and inc $33.8 to expand AofA's Wagerup alumina refinery. Other notable investing activiti included a net increase of $29.2 in loans to Aluminum Company of America; capital for KSL Alcoa Aluminum Company, Ltd. in Japan; and the purchase by AofA of 10.5% i in First National Resource Trust, which in turn is offering to purchase a portion State of Victoria's interest in the Portland smelter joint venture in Australia.

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nd the United States. The estimated
actual rate of 35.6% for 1991. The
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8%. The difference between the 1992
of 34% is primarily due to taxes on

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quarter was not sufficient to cover
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eir year-end balances.

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1992 quarter were $45.1 and included
parable 1991 period, dividends were

rter. At March 31, 1992, AIHC's debt
6.9% at year-end 1991.

l expenditures of $57.9 and included
her notable investing activities
m Company of America; capital funding
he purchase by AofA of 10.5% interest
ffering to purchase a portion of the
joint venture in Australia.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

In the ordinary course of its business, AIHC is involved in a number of suits and claims, both actual and potential, including some which it has asserted against others. Management believes that the outcome of such suits and claims will not have a material effect on AIHC's operations or its consolidated financial position.

Item 6. Exhibits and Reports on Form 8-K.

(b) No reports on Form 8-K were filed by AIHC during the quarter covered by this report.

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involved in a number of suits and
ich it has asserted against others.
nd claims will not have a material
ncial position.

during the quarter covered by this

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registra
has duly caused this report to be signed on its behalf by the following authorized
officers.

ALCOA INTERNATIONAL HOLDINGS COMPANY

May 14, 1992
Date

By JAN H. HOMMEN
Jan H. Hommen
Executive Vice President
(Principal Financial Officer
and Chief Accounting Officer)

Exchange Act of 1934, the Registrant
lf by the following authorized

TERNATIONAL HOLDINGS COMPANY

JAN H. HOMMEN
H. Hommen
cutive Vice President
incipal Financial Officer
Chief Accounting Officer)

EXHIBITS

Page

12. Computation of ratio of earnings to fixed charges 13

AIHC and subsidiaries

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
and Preferred Stock Dividend Requirements
For the three months ended March 31, 1992

(in millions, except ratio)

	1992
Earnings:	
Income before taxes on income and equity income	$113.1
Fixed charges added to net income	8.3
Proportionate share of income of 50%-owned persons	(3.5)
Amortization of capitalized interest	1.4
Total earnings	$119.3
Fixed Charges:	
Interest expense:	
Consolidated	$ 6.2
Proportionate share of 50%-owned persons	1.4
	7.6
Amount representative of the interest factor in rent:	
Consolidated	.7
Proportionate share of 50%-owned persons	-
	.7
Fixed charges added to net income	8.3
Interest capitalized:	
Consolidated	1.9
Proportionate share of 50%-owned persons	-
	1.9
Preferred stock dividend requirements	6.9
Total fixed charges	$ 17.1
Ratio	6.98